



January 16, 2013

Mr. William Barron, Director
Alaska Division of Oil and Gas
550 W. 7th Ave., Suite 1100
Anchorage, AK 99501-3560



Re: Cook Inlet Energy, LLC's Application for Approval of the Otter Unit

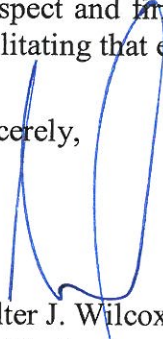
Mr. Barron:

Cook Inlet Energy, LLC (CIE) has been diligently exploring for natural gas at its Otter Prospect, most recently drilling the Otter #1 Well penetrating the upper portion of the Beluga Formation within the structure CIE has mapped. The oil and gas lease, ADL 390579, containing the Otter #1 Well has passed its primary term and is being held by drilling operations. Another lease, ADL 390749 will expire on September 30, 2013. CIE is applying for the Otter Unit to permit it to systematically continue its exploration of the Otter Prospect based upon geological and engineering considerations rather than performing exploration activities necessary to maintain its acreage position across the prospect.

CIE met with Division staff on November 26, 2012 and presented its plans for the Otter Unit, including the proposed unit area, a brief geologic review, proposed changes to the Model Unit Agreement and the Initial Plan of Exploration. CIE has been in contact with Division staff since that time to ensure that this application meets the requirements to be deemed complete and, hopefully, ultimately be approved by the Department of Natural Resources.

CIE is confident that this application meets the requirements of 11 AAC 83.306 and the criteria contained in 11 AAC 83.303. CIE is eager to continue its exploration activities for the Otter Prospect and firmly believes that the approval of the Otter Unit is the most efficient method of facilitating that exploration.

Sincerely,


Walter J. Wilcox II
President

Cc: Daniel S. Sullivan, Commissioner, State of Alaska, Department of Natural Resources

Enclosures: Otter Unit Application
Filing Fee